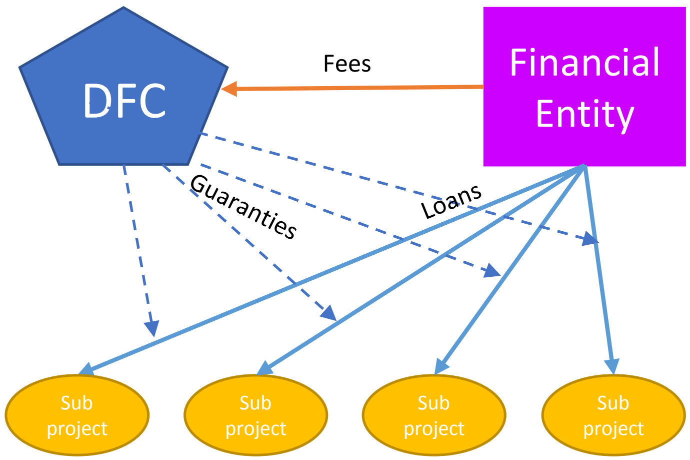
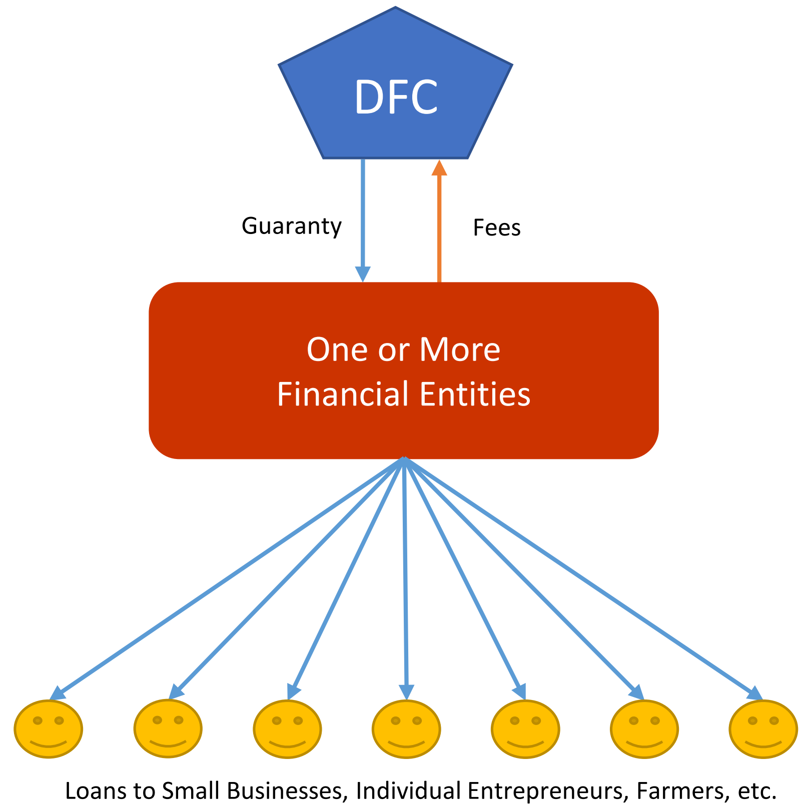
Multi-Borrower Guaranty Structure

Example 1: Framework



- DFC has a broad agreement (a Framework) with a financial entity regarding the types of underlying projects (or banks) they want to support.
- The financial entity proposes support for individual projects / banks, and DFC approves and provides a specific guaranty for each subproject.

Example 2: Pooled Structure



- DFC provides a blanket guaranty of defined portfolio terms to be originated by one or more financial entities.
- The financial entities provide funding to large numbers of borrowers that meet the portfolio definition. If qualifying borrowers default, the lender(s) make claim(s) to DFC.

Multi-Borrower Guaranty Funding

- In this type of structure, DFC is focused on incentivizing financial entities to expand their product offerings to projects or populations that they would not normally have considered in their customer base.

- There are three key variables for this structure:

  - What is the overall size of the entire portfolio?

  - How many borrowers / projects do they anticipate financing (a small number of relatively large loans or a large number of relatively small loans)?

  - What percentage of each loan or the entire portfolio does DFC need to guaranty in order to make the defined portfolio viable for the financial entity(ies)?